

**ASSEMBLY BILL**

**No. 1591**

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**Introduced by Assembly Member Yamada**

January 4, 2010

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An act to amend Section 212 of the Labor Code, relating to wages.

LEGISLATIVE COUNSEL'S DIGEST

AB 1591, as introduced, Yamada. Wages: prohibited forms of payment.

Existing law prohibits a person from issuing certain instruments in payment of wages due unless certain circumstances are met, as specified.

This bill would make a technical, nonsubstantive change to that provision.

Vote: majority. Appropriation: no. Fiscal committee: no.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     SECTION 1. Section 212 of the Labor Code is amended to  
2     read:  
3     212. (a) No person, or agent or officer thereof, shall issue in  
4     payment of wages due, or to become due, or as an advance on  
5     wages to be earned:  
6     (1) Any order, check, draft, note, memorandum, or other  
7     acknowledgment of indebtedness, unless it is negotiable and  
8     payable in cash, on demand, without discount, at some established  
9     place of business in the state, the name and address of which must  
10    appear on the instrument, and at the time of its issuance and for a  
11    reasonable time thereafter, which must be at least 30 days, the

1 maker or drawer has sufficient funds in, or credit, arrangement, or  
2 understanding with the drawee for its payment.

3 (2) Any scrip, coupon, cards, or other thing redeemable, in  
4 merchandise or purporting to be payable or redeemable otherwise  
5 than in money.

6 (b) ~~Where~~ *When* an instrument mentioned in subdivision (a) is  
7 protested or dishonored, the notice or memorandum of protest or  
8 dishonor is admissible as proof of presentation, nonpayment and  
9 protest and is presumptive evidence of knowledge of insufficiency  
10 of funds or credit with the drawee.

11 (c) Notwithstanding paragraph (1) of subdivision (a), if the  
12 drawee is a bank, the bank's address need not appear on the  
13 instrument and, in that case, the instrument shall be negotiable and  
14 payable in cash, on demand, without discount, at any place of  
15 business of the drawee chosen by the person entitled to enforce  
16 the instrument.